

AMENDED IN ASSEMBLY APRIL 16, 2012

AMENDED IN ASSEMBLY MARCH 27, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

## ASSEMBLY BILL

**No. 1728**

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**Introduced by Assembly Member Galgiani**

February 16, 2012

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An act to amend Section 14105.18 of the Welfare and Institutions Code, relating to health care, *and declaring the urgency thereof, to take effect immediately.*

### LEGISLATIVE COUNSEL'S DIGEST

AB 1728, as amended, Galgiani. Health care programs: provider reimbursement rates.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law requires the department and other state agencies to administer various health programs, including the California Children's Services Program, Genetically Handicapped Person's Program, Breast and Cervical Cancer Early Detection Program, State-Only Family Planning Program, Family Planning, Access, Care, and Treatment (Family PACT) Program, Healthy Families Program, and Access for Infants and Mothers Program. Existing law requires provider rates of payment for services under these programs to be identical to the rates of payment for the same service performed by the same provider type pursuant to the Medi-Cal program.

This bill would provide an exception to this latter provision and require hospital inpatient rates of payment for specified programs for dates of service on or after January 1, 2011, through December 31, 2016, to be 90% of the Medi-Cal hospital interim rates of payment, as developed by the department.

*This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 14105.18 of the Welfare and Institutions  
2     Code is amended to read:  
3     14105.18. (a) Notwithstanding any other law, and except as  
4     provided in subdivision (d), provider rates of payment for services  
5     rendered in all of the following programs shall be identical to the  
6     rates of payment for the same service performed by the same  
7     provider type pursuant to the Medi-Cal program.  
8     (1) The California Children's Services Program established  
9     pursuant to Article 5 (commencing with Section 123800) of  
10    Chapter 3 of Part 2 of Division 106 of the Health and Safety Code.  
11    (2) The Genetically Handicapped Person's Program established  
12    pursuant to Article 1 (commencing with Section 125125) of  
13    Chapter 2 of Part 5 of Division 106 of the Health and Safety Code.  
14    (3) The Breast and Cervical Cancer Early Detection Program  
15    established pursuant to Article 1.3 (commencing with Section  
16    104150) of Chapter 2 of Part 1 of Division 103 of the Health and  
17    Safety Code and the breast cancer programs specified in Section  
18    30461.6 of the Revenue and Taxation Code.  
19    (4) The State-Only Family Planning Program established  
20    pursuant to Division 24 (commencing with Section 24000).  
21    (5) The Family Planning, Access, Care, and Treatment (Family  
22    PACT) Program established pursuant to subdivision (aa) of Section  
23    14132.  
24    (6) The Healthy Families Program established pursuant to Part  
25    6.2 (commencing with Section 12693) of Division 2 of the  
26    Insurance Code if the health care services are provided by a  
27    Medi-Cal provider pursuant to subdivision (b) of Section 12693.26  
28    of the Insurance Code.

1 (7) The Access for Infants and Mothers Program established  
2 pursuant to Part 6.3 (commencing with Section 12695) of Division  
3 2 of the Insurance Code if the health care services are provided by  
4 a Medi-Cal provider.

5 (b) The director may identify in regulations other programs not  
6 listed in subdivision (a) in which providers shall be paid rates of  
7 payment that are identical to the rates of payments in the Medi-Cal  
8 program pursuant to subdivision (a).

9 (c) Notwithstanding subdivision (a), services provided under  
10 any of the programs described in subdivisions (a) and (b) may be  
11 reimbursed at rates greater than the Medi-Cal rate that would  
12 otherwise be applicable if those rates are adopted by the director  
13 in regulations.

14 (d) Hospital inpatient rates of payment for services rendered in  
15 the programs described in paragraphs (1) to (5), inclusive, of  
16 subdivision (a) for dates of service on or after January 1, 2011,  
17 through December 31, 2016, shall be 90 percent of the Medi-Cal  
18 hospital interim rates of payment, as developed by the department.

19 *SEC. 2. This act is an urgency statute necessary for the*  
20 *immediate preservation of the public peace, health, or safety within*  
21 *the meaning of Article IV of the Constitution and shall go into*  
22 *immediate effect. The facts constituting the necessity are:*

23 *In order to make changes to state-funded health programs to*  
24 *prevent the retroactive recoupment of funds paid to hospitals for*  
25 *inpatient services, it is necessary that this act take effect*  
26 *immediately.*